

Standing alongside Vermonters struggling with rising gas prices, Rep. Peter Welch on Monday announced three pieces of legislation to help calm rising prices in the short term and combat energy market speculation in the long term. Gas prices in Vermont are up nearly one dollar since September, hitting \$3.74 in parts of the state.

At the Montpelier City Public Works Department, Welch was joined by Cabot Cheese Warehouse and Distribution Manager Louie Quintin, owner of Middlesex Electric Donald Pierce and Montpelier City Manager Bill Fraser, all of whom are trying to absorb rising gas prices into tight budgets. The legislative initiatives would eliminate tax loopholes that encourage energy market speculation, release fuel from the nation's Strategic Petroleum Reserve (SPR) to calm rising prices and set criminal penalties for those found to be engaging in price gouging.

"As rising gas prices hit Vermonters at the pump and threaten a fragile economic recovery, we must use every tool we can to ease the burden," said Welch. "These common sense bills will provide much-needed relief in the short term and reduce the ability of speculators to drive up prices in the long term. With so many families and businesses struggling to get by in a down economy, it's imperative that Congress and the President take action."

"Rising fuel prices are affecting everyone," said Judy Sullivan, a constituent from Fairfax who recently contacted Welch about rising gas prices. "I commute 60 miles a day for work and \$3.70 a gallon gas really eats up the budget quickly. The bottom line is that after paying to heat the house and fill my car's tank, there really isn't room left for much else."

Monday's announcement marks Welch's most recent efforts to combat rising gas prices. Last month, [Welch wrote a letter to President Obama](#) urging him to consider using the nation's oil reserves to provide relief for working families and small businesses. The President has indicated he is considering tapping the reserves.

Welch announced the following legislation Monday:

The STOP Act:

The Stop Tax-breaks for Oil Profiteering ACT would close a tax loophole that encourages speculation and distorts the normal supply-demand balance of the market. Under current law, financial speculators – such as hedge funds – pay an overall tax of 23% on profits and losses in commodities markets, while actual commercial participants – such as farmers, fuel dealers or businesses – pay a rate of 35%.

The Enhanced SPR Act:

The Enhanced Strategic Petroleum Reserve Act would direct the Department of Energy to release at least 30 million barrels of oil from the nation's oil reserves, or about five percent of the current total volume. Such action has had a history of driving down prices in the past. Later on, the proceeds from the sale would be used to gradually acquire refined petroleum product, such as gasoline or diesel fuel over the next five years. Possessing refined products would ensure the effectiveness of the reserves, even in the event of a refinery outage.

The Federal Price Gouging Prevention Act:

The Federal Price Gouging Prevention Act would give the Federal Trade Commission the authority to investigate and punish companies that artificially inflate the price of energy. The bill sets criminal penalties for price gouging, and permits states to bring lawsuits against wholesalers or retailers who engage in gouging.